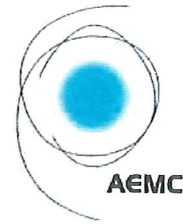




Australian Government  
Australian Renewable  
Energy Agency

**ARENA**



## **Memorandum of Understanding**

**Between**

**Australian Energy Market Commission**

**And**

**Australian Renewable Energy Agency**

### **Part A: Recitals**

#### **1 Purpose and principles**

##### *Purpose*

ARENA is established under the *Australian Renewable Energy Agency Act 2011* (ARENA Act), with the objective of improving the competitiveness of renewable energy technologies and increasing the supply of renewable energy in Australia.

The ARENA Act provides that ARENA, in carrying out its functions, must, if appropriate, act collaboratively with other persons, organisations and governments and promote the sharing of information and knowledge about renewable energy technologies.

The Australian Energy Market Commission (AEMC) is responsible for assessing changes to the National Electricity Rules, National Energy Retail Rules and National Gas Rules. These rules are the general statutory framework under the National Electricity Law, National Energy Retail Law and National Gas Law, which regulate the operation of the NEM. The AEMC is also responsible for market development and design and provides advice to the COAG Energy Council.

The Australian Energy Market Commission Establishment Act 2004 (SA) envisages that the AEMC will enter into a Memorandum of Understanding (MoU) with other bodies for the purposes of facilitating and coordinating the performance of its functions.

This MoU sets out the arrangements agreed between the AEMC and ARENA to promote effective cooperation, communication and coordination between each organisation in the performance of their respective roles in Australia's energy markets.

The MoU is a public document and communicates, in a transparent way to all energy market stakeholders, the administrative arrangements that operate between the organisations.

The MoU is a statement of principles to guide the relationships between the organisations. While the MoU is not legally binding on the organisations, the parties intend to use their best endeavours to abide by the objectives, principles and terms set out in this MoU.

Nothing in this MoU affects the exercise of functions or responsibilities of the AEMC or ARENA.

This MoU applies to current and any further functions conferred on the AEMC and ARENA unless the relevant organisation gives the other organisation notice in writing to the contrary.

### ***Communication***

The organisations recognise the importance of regular and open communication between them at both executive and officer levels. This communication will enhance the effectiveness of the institutions, individually and collectively, in fulfilling their roles.

### ***Co-operation***

The organisations will work together to achieve the effective development of energy markets in Australia, recognising that each organisation has different roles and functions.

### ***Reciprocity***

Each of the organisations has specific statutory responsibilities. These roles will be performed more effectively where the organisations have agreed reciprocal commitments.

## **2 The organisations and their roles in energy markets**

### ***The AEMC***

The AEMC is established under the *Australian Energy Market Commission Establishment Act 2004* of South Australia.

The AEMC has two roles. It advises the COAG Energy Council<sup>[1]</sup> on energy market development and is the rule maker for energy markets.

In its role as adviser to the COAG Energy Council, the AEMC provides governments with advice they request on ways to help the energy markets grow and develop so that consumers benefit from more efficiently operating energy markets. The AEMC also initiates its own formal reviews in line with its strategic priorities for energy market

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<sup>[1]</sup> The Ministerial Council on Energy (MCE) is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for Energy. On 1 July 2011 the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. The amalgamated Council is now called the COAG Energy Council.

development. If the COAG Energy Council agrees with the AEMC's energy reform recommendations, it requests rule changes to deliver those changes.

In its role as rule maker under the national energy laws<sup>2(a)</sup>, the AEMC makes rules in response to issues raised in rule change requests from stakeholders including governments, industry and consumers. The AEMC makes rules under the National Electricity Law, National Gas Law and National Energy Retail Law.

## *ARENA*

ARENA's purpose and functions are outlined in the ARENA Act. ARENA provides financial assistance to support innovation and the commercialisation of renewable energy and enabling technologies by helping to overcome technical and commercial barriers. A key part of ARENA's role is to collect, store and disseminate knowledge gained from the projects and activities it supports for use by the wider industry and Australia's energy market institutions.

## **Part B: Operational provisions**

### **3 Information sharing**

Each organisation recognises that in the course of performing and exercising its duties, functions and powers, information could be shared which could assist the other organisation to fulfil its responsibilities. The AEMC can support ARENA by providing advice to inform the prioritisation and design of proof of concept demonstrations and their knowledge sharing requirements. ARENA can support the AEMC by the proof of concept and knowledge sharing being used as inputs into consideration of rule change requests and market development advice.

The organisations will use their best endeavours to provide, in a timely manner, relevant information that has been requested by the other organisation, subject to clause 4 and any other relevant legal or operational considerations.

### **4 Confidential information**

The organisations each have statutory obligations and powers in relation to the use and disclosure of confidential information in the performance of their functions. The organisations recognise that the disclosure of confidential information could adversely affect both the operations of that organisation and the interests of the original provider.

Where relevant confidential information is disclosed by one organisation to the other the organisations agree that:

- the disclosing organisation will identify what is confidential in any information it provides to the requesting organisation
- the requesting organisation will treat information that is so identified as confidential

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<sup>2(a)</sup> National Electricity Law, National Gas Law and National Energy Retail Law

- if the requesting organisation becomes subject to a subpoena or other legal demand to disclose confidential information provided by the disclosing organisation, it will immediately notify the disclosing organisation, to enable the disclosing organisation to advise any intended action relating to the release, disclosure, publication or production of such information, and to advise of its view concerning the same.

Before disclosing confidential information to the other organisation, the disclosing organisation may request a binding confidentiality undertaking from the other organisation in relation to the use and disclosure of that information.

## **5 Consultation and cooperation**

The organisations agree that there will be regular cooperation and liaison between them in relation to their respective functions, powers and duties.

In particular, ARENA will share information on proof of concept trials and knowledge sharing that are relevant to the AEMC's rule changes and review projects with the AEMC in a timely manner. AEMC will also be invited to A-Lab and other relevant events on a regular basis.

AEMC will offer briefings to ARENA on relevant review and rule change processes and invite ARENA to participate in technical advisory groups where appropriate. If requested, AEMC will provide advice to ARENA on its priorities and insights as relevant to ARENA funding strategies.

## **6 Regular meetings between organisations**

The Chief Executive of the AEMC and the Chief Executive Officer of ARENA or such other nominated executive from the respective organisations will meet at least every six months to assess the operation of the MoU and the ongoing relationships between the organisations.

The AEMC and ARENA will also meet at an executive or senior officer level at least every three months to discuss the implementation of this MoU and the development and ongoing effectiveness of regulatory arrangements. Other contacts between staff of the organisations will take place as required.

## **7 Distributed Energy Integration Program**

The Distributed Energy Integration Program (DEIP) is a collaboration of energy peak bodies, market authorities, industry associations and consumers associations, aimed at maximising the value of customers' distributed resources for all energy users.

The AEMC has agreed to be part of the Steering Group of the DEIP and together with ARENA and the Australian Energy Market Operator (AEMO) will provide secretariat services in support of the DEIP.

## **8 Management of the MoU**

### ***Liaison officers***

The AEMC and AEMO will each nominate a liaison officer to serve as a point of contact in relation to matters arising under this MoU and to be responsible for general liaison under this MoU and subsequent cooperation arrangements between the organisations.

**Disagreements**

In the event of any disagreement between the organisations as to the implementation of this MoU or the performance of their respective functions, powers and duties, the chief executive officers of the organisations (or their delegates) will seek to resolve the matter in accordance with the principles of this MoU.

**Expiry**

The MoU will expire on 31 December 2022, unless otherwise agreed in writing by the organisations.

**Publication**

This MoU may be published by the organisations on their respective websites.

Dated:

The common seal of the Australian Energy Market Commission was fixed to this document on the 16<sup>th</sup> day of January 2019 by the authority of the Australian Energy Market Commission pursuant to section 23 of the Australian Energy Market Commission Establishment Act 2004.

DARREN MILLER  
Chief Executive Officer  
Australian Renewable Energy  
Agency

Signature of the Chairperson/Commissioner

JOHN PIERCE

Name of Chairperson/Commissioner

Signature of Witness

Rebecca Meyers

Name of Witness

